

State Board of Equalization
OPERATIONS MEMO
For Public Release

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SUBJECT: Online Payment Plan(s)

I. PURPOSE

This operations memorandum provides policies and procedures regarding the Board of Equalization's (BOE) new online payment plan system. The existing policies and procedures related to payment plans were revised to accommodate the implementation of the online payment plan system and the auto approval process. Additional information regarding the BOE payment plan process is available in [Operations Memo 1159](#), *Installment Payment Agreements and the Auto Pay Program*.

II. ONLINE PAYMENT REQUEST OVERVIEW

The BOE has expanded their online services by providing tax and fee payers ("taxpayers") with outstanding liabilities the ability to request a payment plan online. Taxpayers whose requests are within set guidelines will have their requests automatically approved without any action by staff. Requests for payment plans that fall outside of the guidelines will automatically route to a collector for review. If the request is automatically approved, the required payments will be automatically debited from the taxpayer's bank account and the details of the payment agreement will be recorded in the Automated Compliance Management System (ACMS).

III. ELIGIBILITY

Accounts with the following conditions are **not eligible** to request an online payment plan:

- Non-final liabilities,
- Permit or License is revoked/suspended,
- Offer in Compromise has been submitted,
- Legal status (bankruptcy, probate, receivership, or assignment for benefit of creditors),
- Active or pending payment plan,
- All periods are Discharged From Bankruptcy (DFB),
- Discharged from Accountability (written off), or
- Special Processing state in ACMS.

IV. LOGIN PROCEDURES AND FEATURES

The online payment plan system uses the BOE's existing online services logins. The taxpayer can log in as a Registered User using their *User ID and Password* or they can use their Express Login code. As described in Table 1, Registered Users will have additional features that are not available to those using the Express Login.

Table 1: Registered User vs. Express Login User Features

Features	Registered User	Express User
Ability to view the total amount due on the “Proposed Payment Terms” page.	Yes	No
Status change emails will be sent after the request is submitted. (e.g., Approved, Submitted, Reviewed, Denied and Unable to process).	Yes	No
Ability to view the current status from the Account Service Menu page, under “Account Functions.”	Yes	No

Note: Only the total amount of the liability will be displayed for Registered Users. It will not be broken down into individual periods of liability.

V. PAYMENT PLAN SCREENS (WEB INTERFACE)

Taxpayers may propose a payment plan for any liability amount due (no minimum or maximum amounts). Taxpayers will enter the following information when proposing a payment plan:

- Name (Express Login users only),
- Phone number,
- Payment amount (minimum payment \$10),
- Frequency – weekly, biweekly, and monthly,
- First payment date (requires first payment within 45 days of request),
- Bank routing number,
- Bank account type, and
- Bank account number.

A. Review Payment Terms

This screen allows the taxpayer to review the information input for accuracy and provides the terms of the plan. This page will allow a taxpayer to edit or cancel, before submitting the request.

B. Confirmation

This screen provides the terms of the payment plan submitted and immediately advises the taxpayer if the plan was “approved” or “submitted for review.” This page will also display the confirmation number which is displayed in the “Review Online Promise” and “View Online Proposals” windows in ACMS.

VI. PAYMENT PLANS ENTERING ACMS

Payment plans will enter ACMS in real-time. Immediately after the taxpayer submits the request a history line is created and the payment plan terms are populated. For purposes of the

Collection Cost Recovery Fee assessment, the effective date of the payment plan will be the date of the request. This date will not be modifiable in ACMS.

A. Auto Approval

Requests that are auto approved will be set up for automatic payments and will route to ACMS without any action by staff. Payment plans that meet the criteria for auto approval will be immediately “approved” and the account will be automatically routed to the “Promise to Pay” work state in ACMS to begin the Automated Clearing House (ACH) payment process.

Partnership accounts and accounts with both final liabilities and non-final liabilities will route to ACCES A-Awaiting Call work state for staff to review for any additional actions needed. Staff should not attempt to renegotiate the auto approved payment plan of the individual partner.

Requests will not be auto approved when any of the following conditions exist on the account:

- Delinquency,
- One or more payment plans terminated in the last 12 months,
- Jeopardy determination,
- Account subject to enforced collection action within the last 90 days (e.g., levy, withhold, EWO),
- Unresolved legal action in ACMS, or
- One or more, but not all, periods in DFB status.

B. Requests “Submitted for Review”

Requests that are not auto approved will route to the “Review Online Promise” work state to be reviewed by staff. The requests for a payment plan will appear in the collector’s worklist (See Table 2) within 1-2 business days.

Table 2: ACMS WORKLIST STATE

Responsible Units	Worklist
Sales and Use Tax Department (SUTD)	ACCES A
Special Taxes and Fees (STF)	ACCES A
Centralized Collection Section	ACCES A
Consumer Use Tax	Auto, Boats, Planes and Others
STF Motor Carrier Office	Active and Closed
Centralized Collection Section - Corporate Section	Northern and Southern Corp Dual

C. Review Online Promise Window

The “Review Online Promise” window will display the terms of the proposal as submitted. The collector will review the proposal and make the decision to accept or

deny the request. If the proposal is not acceptable, the collector should contact the taxpayer to negotiate acceptable terms. Once new terms are agreed upon, the collector will deny the request and have the taxpayer resubmit a new proposal online or the collector should modify the original request using the “Modify” option if its determined that the taxpayer isn’t able to go back online in a timely manner to resubmit. If the account is not auto approved and financial documentation to support the proposal is required the account will remain in the “Review Online Promise” work state, and the collector can set a follow-up date.

a) Modify

Staff may modify the plan only after contact is made with the taxpayer and the terms are negotiated. If the plan is modified, the taxpayer **must** complete and sign a BOE-407, *Payment Plan Agreement*. The following fields can be modified by selecting the “Modify” button:

- Frequency,
- Payment amount,
- First payment date,
- Banking information,
- Review date, and
- Maximum amount.

b) Update Periods

On the “Review Online Promise” window, if the collector selects the “Modify” button, the “Modify” button will change to “Update Periods.” If the “Update Periods” button is selected, the system will determine if new amounts due have entered ACMS since the payment request was submitted.

D. View Online Proposals

The “View Online Proposal” screen allows staff to view the proposals that were submitted online. The screen will display the taxpayer’s most current online proposals. In addition to viewing current proposals, staff will have the ability to view prior online proposals by selecting “Request Date” from the pull down menu.

VII. AUTHORIZATION AND CONFIRMATION FORMS

The method in which the taxpayer logs in and whether the payment plan is auto approved or pending determines which forms, if any, are required. A Registered User whose payment plan is auto-approved will automatically receive an email, however, if the plan is reviewed and modified a BOE-407, *Payment Plan Agreement*, will be prepared and mailed by the collector. For an Express Login user whose payment plan is auto-approved a 407-CN, *Payment Plan Confirmation* is automatically mailed out by the Headquarters’ mailroom. If the request is “Submitted for Review” and accepted/approved without modification the collector will prepare and mail a BOE-407-CN, *Payment Plan Confirmation*. The “Review Online Promise” window identifies if the taxpayer submitted the plan as a Registered User or Express Login user. The BOE-407-CA, *Automatic Payment Authorization* is used by taxpayers that are manually making payments and wish to participate in the automatic payment program. This form is also used when a taxpayer who is currently enrolled in the automatic payment program wishes to change the bank account from which payments are debited.

VIII. FINALITY PENALTY

Operations Memo 888, *Relief of Penalty – Installment Payment Proposals*, allows the BOE to relieve finality penalties on determinations for taxpayers who request a payment plan within 45 days of the finality date and satisfactorily complete the payment plan. The finality penalty relief will not be automatically granted or processed with the online payment plans that are auto approved. Therefore, on a monthly basis, each office must obtain the “ACMS Promise Reports” and identify the auto approved accounts that qualify for relief of finality penalty. After the auto approved accounts are identified the collector will set a “review date” on the ACMS “Promise to Pay” screen. If the payment plan is successfully completed on the “review date” a request for relief of finality penalty will be sent by the collector to the responsible unit.

IX. OBSOLESCENCE

Operations Memo 1175, *Streamlined Installment Payment Agreements*, is now obsolete. This operations memorandum will become obsolete when the information contained herein is incorporated in the CPPM 770.00, *Installment Payment Agreements* or is obsolete.



Susanne Buehler, Chief
Tax Policy Division
Sales and Use Tax Department



Lynn Bartolo, Chief
Special Taxes Policy & Compliance Division
Property and Special Taxes Department